

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:) Docket No. 01-AFC-4
)
Application for Certification for the East Altamont)
Energy Center)
_____)

EAST ALTAMONT ENERGY CENTER
STATUS REPORT #1

The Committee Scheduling Order issued on August 24, 2001 requested that the parties file status reports to assist the Committee in determining that the case is progressing satisfactorily, to bring potential scheduling delays to the Committee's attention, and to bring other relevant matters to the Committee's attention. This Status Report by the East Altamont Energy Center LLC ("Applicant") addresses the status of issues discussed in the CEC Staff's Issues Identification Report dated July 19, 2001. Also included is a list of documents the Applicant is in the process of preparing in response to the California Energy Commission (CEC) Staff's July 19, 2001 data requests.

AIR QUALITY

1. Project Conformance with BACT Requirement

The Applicant is proposing Best Available Control Technology (BACT) for gas turbines (2.5 ppm for NO_x with 10 ppm of ammonia slip, and 6 ppm for CO). The CEC Staff in its data requests dated July 19, 2001, cite a recent letter from the US Environmental Protection Agency (USEPA) to the San Luis Obispo County Air Pollution Control District which comments that BACT for gas turbines should be 2 ppm for NO_x with 5 ppm ammonia slip, and 2 ppm CO. It is important to note that the USEPA has not provided these comments for the EAEC project. Should USEPA raise similar concerns regarding the EAEC project, the Applicant will respond as appropriate to the CEC and the Bay Area Air Quality Management District (BAAQMD).

2. Effectiveness of the Proposed PM₁₀ Emission Mitigation

The Applicant is proposing to mitigate the project's PM₁₀ emissions by paving roads at various locations within a 65-mile radius from the project site. The CEC Staff is concerned that the emission reduction credits derived from road paving may not provide effective mitigation. However, it is important to note that the Commission has accepted PM₁₀ mitigation in the form of road paving for the High Desert, Blythe Energy, and Three Mountain Power Projects. The Applicant will continue to work with the CEC Staff to resolve this issue.

3. Potential New Violation of the Air Quality Standard

To assess the project's emissions impacts, the Applicant used a BAAQMD and USEPA approved modeling method. The CEC Staff, however, has concerns about the use of the model and has requested that a revised analysis be provided using a different method and assumptions.

The Applicant disagrees with conducting the revised analysis because it is not consistent with BAAQMD and EPA modeling guidance. Consequently, the Applicant does not believe it to be appropriate to perform the analysis in the manner requested by CEC Staff. Nonetheless, the Applicant will discuss this issue further with CEC Staff in an attempt to reach an agreement on this point.

4. Mitigation for SO₂

The Applicant proposes to utilize natural gas, which has a low sulfur content, to mitigate SO₂ emissions. The CEC Staff believes that additional mitigation should be provided.

As explained in the Applicant's responses to CEC Staff Data Requests, the Applicant believes that the SO₂ impacts associated with the project's operation are not significant, and that no mitigation for SO₂ emissions (beyond the use of clean-burning natural gas) should be required. This issue will be discussed at the September 6 Data Response/Issues Resolution Workshop. The Applicant will work with the CEC Staff in order to resolve this issue.

LAND USE

Alameda County has two policies, Policies 75 and 76 of the East County Area Plan, and Section 17.060.010 of the Alameda County Zoning Ordinance which pertain to the preservation of prime agricultural land. Commission Staff was concerned about the project's consistency with these policies, since the plant would be located on land that is currently farmed. The CEC Staff encouraged the Applicant to work with Alameda County on appropriate mitigation measures for the loss of prime agricultural land.

On August 15, 2001 Adolph Martinelli, Community Development Director with Alameda County, submitted a letter to Cheri Davis, addressing the issue of the project's consistency with the aforementioned policies and zoning ordinance. Specifically, the letter states:

The Alameda County Community Development Agency believes that the project as proposed, without mitigation, would be inconsistent with these specific policies, and its construction would result in environmental impacts based on these policies. However, the applicant has proposed to mitigate these effects through the preservation and enhancement of existing farmland on the remainder of the parcel, as well as providing funding to Alameda County for acquisition and preservation of additional agricultural land in the County that would fully mitigate the project's policy impacts.

The Applicant and Alameda County are in the process of negotiating an agreement that will memorialize the Applicant's commitment to provide mitigation pursuant to Policies 75 and 76 and Section 17.060.010 of the County Zoning Ordinance. A copy of the agreement will be made available to the CEC once it has been approved.

NOISE

The Applicant proposes to meet the Alameda County Noise Ordinance that limits nighttime noise emissions to 45 dBA. In addition, nearby residents would be able to participate in a sound attenuation program if they are disturbed by increased noise due to the generating facility's operational noise impacts. This program would provide upgrades to residences which include, for example: replacement of single-pane windows with dual-pane windows; upgrade hollow-core exterior doors with solid-core doors; provide additional sound insulation in walls, and the installation of air conditioners.

Alameda County stated in its August 15 letter to Cheri Davis that it believes the EAEC project will not have an impact if it meets the nighttime noise level (45 dBA) specified in the Alameda County Noise Ordinance and that additional mitigation is not necessary. Alameda County does however support the sound attenuation program.

SOILS

The CEC Staff evaluating soil resources also expressed concern about the project's consistency with Policies 75 and 76 of the East County Area Plan and Zoning Ordinance Section 17.060.010, pertaining to the preservation of prime agricultural land. In addition, the CEC Staff proposed options the Applicant could pursue to reduce the impacts to prime agricultural land by decreasing the number of acres needed by the project. The options proposed included: use of dry cooling or brine crystallizers, both of which would eliminate the need for the two five acre evaporation ponds.

In its data responses filed on August 17, 2001, the Applicant stated that it is going to use brine crystallizers instead of the evaporation ponds. The Applicant is in the process of preparing a document that more thoroughly addresses this modification, including a revised site layout with reduced site acreage. This information will be submitted to the CEC by the end of September/early October.

VISUAL RESOURCES

In the AFC, the Applicant proposed landscaping consisting of tall trees, which would screen the project features. Commission Visual Staff are in the process of evaluating the project visual simulations with the landscaping to determine if the proposed landscaping provides sufficient screening. However, the CEC Biology Staff as well as the California Department of Fish and Game and the U.S. Fish and Wildlife Service have expressed concern that the tall trees would provide perches for raptors to look for prey. The prey could include listed species such as the San Joaquin Kit Fox. CEC Staff suggested landscaping which would be more consistent with the area's biological resources such as: multi-tiered berms, and assemblages of native shrubs, forbs, grasses, and the use of soft branch trees. Alameda County in its August 15 letter to Cheri Davis states that it prefers that the site be visually screened through the use of trees and shrubs rather than large berms. The Applicant will work with CEC Staff and representatives of Alameda County, the California Department of Fish and Game, and the U.S. Fish and Wildlife Service in an attempt to reach a consensus on the project landscaping.

WATER RESOURCES

The Applicant is proposing to use water from the Byron Bethany Irrigation District (BBID). Based upon planning information supplied by BBID, it is projected that fresh water would be supplied to the project and later BBID would supply recycled water from the Mountain House Community Services District (MHSCD), when it becomes available. However, since the recycled water would not be available in the near future, the CEC stated that they will not include this recycled water supply in their environmental analysis. The Applicant is nevertheless continuing its business negotiations with BBID for the acquisition of the water and anticipates utilizing recycled water when and as it becomes available from BBID.

On August 17, 2001, the Applicant filed data responses that addressed the use of recycled water from sources in the project area. The sources included: City of Tracy, City of Livermore, and the Discovery Bay Community Services District. Additional information was also provided on the MHSCD water. Based on this analysis, the Applicant believes the other sources of recycled water are infeasible.

The Applicant will also be providing information on the use of dry and wet/dry cooling alternatives for the project. This information will be submitted by September 14, 2001.

DOCUMENTS TO BE PROVIDED

Below is a list of documents that the Applicant is in the process of preparing. The dates by which they will be submitted are also listed.

Submittal/Filing Date

Air Quality

Confidential filing of information pertaining to emission reduction credit certificates pursuant to Data Request 28. This information will be filed in early September.

Confidential filing of information pertaining to road paving ERCs pursuant to Data Requests 30-32. This information will be filed by the end of September.

Biology

Draft Biological Resources Mitigation Implementation Monitoring Plan pursuant to Data Request 59. This document will be filed by mid September.

Water

Analysis on the use of dry and wet/dry cooling technologies pursuant to Data Request 84. This information will be filed by September 14, 2001.

Document analyzing the elimination of the two 5-acre evaporation ponds and the use of brine crystallizers, pursuant to Data Request 95. This supplemental filing will be submitted by the end of September/early October.

Transmission System Engineering

The Western Area Power Administration will be providing the CEC with a revised table showing the overloads for the N-O condition with and without the EAEC project, pursuant to Data Request 121ci1. They will also be submitting stability plots pursuant to Data Request 122aii (1-8). This information will be filed by September 7, 2001.

The Applicant is preparing a new drawing to reflect the double-circuit configuration between the EAEC 230 kV switchyard and Westley. This drawing will be filed by September 7, 2001.

CONCLUSION

The Applicant greatly appreciates the eleven month schedule specified in the Committee's August 24, 2001 Scheduling Order and will continue to work diligently on the preparation and filing of the aforementioned documents, future data requests, and the resolution of outstanding issues in order to meet the dates specified in the schedule.

Respectfully submitted,

Dated: September 4, 2001

ELLISON, SCHNEIDER & HARRIS

By

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